

Daily Fantasy Sports General Assembly Report

Department of Safety and Homeland Security
Division of Gaming Enforcement

Executive Summary:

On July 26, 2017, the Delaware Interactive Daily Fantasy Sports Act was signed into law by Governor John Carney. The Act permits Daily Fantasy Sports participants, in Delaware, to wager on the performance of players the participant selected for their roster based on the participant's skill and knowledge. The Delaware Division of Gaming Enforcement has the regulatory oversight to ensure the integrity, accountability and public trust of these contests. The current Delaware Interactive Daily Fantasy Sports Act will sunset on July 1, 2019.

Amendments to Original Legislation:

- Updated the statute to reflect the assignment of the regulation and tax administration of Interactive Fantasy Sports in Delaware to the Division of Gaming Enforcement (regulation) and the Division of Revenue (tax administration). The bill also allows for administrative expenses to be paid from Interactive Fantasy Sports revenues.
- Required persons in positions of control/authority of interactive fantasy sports operators seeking to register in Delaware to submit to criminal background checks and provides a basis for denial of an operator's registration application if such individual(s) has a criminal history.
- Established administrative penalties for Interactive Fantasy Sports Operators failure to comply with the law.
- Ensured confidentiality of information collected from operators but also allows for information sharing with the Division of Revenue, law enforcement, and regulatory agencies.
- Moved the annual license fees and gross receipts taxes from Title 29 to Title 30 where all other gross receipts taxes are authorized, and provides for the same audit, due process, and appeal rights afforded to all other gross receipts taxpayers.
- Clarified that season-long, friends and family games are exempt from licensing and enforcement requirements.

Approved Registered Operators:

The Division of Gaming Enforcement completed suitability backgrounds on the following Daily Fantasy Sports Operators and have approved for operations in Delaware. The registration dates are valid as long as the annual \$50,000 registration fee and quarterly State taxes have been paid.

- Draft Kings – Registered until September 4, 2021.
- Draft – Registered until September 4, 2021.
- FanDuel – Registered until November 20, 2021.

Taxes and Fees: The taxes and fees for all registered operators have been paid.

Registrants Annual Report Submission:

According to the Delaware Interactive Daily Fantasy Sports Act, 29 *Del. C.* § 4867, registered operators are required to submit the following information to Director of the Division of Gaming Enforcement:

Delaware Authorized Players Account:

- Number of accounts held on all platforms:
 - a. Authorized Players: 81,953
 - b. Highly Experienced Players: 2008
- Total number of accounts established since 2017:
 - a. New Accounts: 15,599
 - b. Accounts Closed: 1031
- Total number of entry fees received from authorized player: \$ 12,340,712
- Total number of prizes awarded to authorized players: \$ 11,339,548
- Total amount fantasy sports revenue received by registrants: \$ 1,339,548
- Total number of authorized players who requested self-exclusions: 14
- Total number of consumer complaints: 17
 - a. All consumer complaints were addressed to operators and no complaints were registered with the Division of Gaming Enforcement on our website, telephonically or by mail.
- Total number of Delaware Players identified as a minor and action taken: 16

